

**515.116(c)(2) Calculation of Interest Payment on Refund of EQIP Funds**

Language in the CCC-1200 Appendix requires that interest be paid when repayment of EQIP contract funds from a producer is due NRCS.

The July 2003 version of the CCC-1200 Appendix states: “Repayments determined by NRCS to be due and owing to NRCS under this provision will accrue interest at the current value of funds rate.....from the date originally disbursed to the participant up to the day the repayment is received by NRCS.”

The December 31, 1998 version of the CCC-1200 Appendix states (versions prior to July 2003 are worded similar to this version): “Refunds determined to be due and owed to CCC in accordance with this contract will bear interest at the rate which CCC is required to pay for its borrowing from the United States Treasury on the date of disbursement by CCC of the moneys to be refunded. Interest will accrue from the date of such disbursement by CCC.”

Interest charged will be simple interest in order to be consistent with how these funds were calculated previously when FSA participated in this process. A simple interest calculator is provided on the Wisconsin NRCS webpage which will select the appropriate interest rate based on the date of original payment to the producer and the version of the CCC-1200 Appendix that the producer signed.

Interest will be calculated solely on the repayment of funds paid previously to the operator. The interest calculation shall not include any liquidated damages determined to be due. The interest calculation also shall not include any fund repayments which have been waived by the State Conservationist.

Repayments of funds previously paid, liquidated damages, if any, and interest payments should be made by check from the producer made payable to USDA-Natural Resources Conservation Service. The District Conservationist is responsible for forwarding the check to the Management Analyst in the State Office. The District Conservationist should attach correspondence to the check which includes:

The participant’s name (if different than that on the check),  
A copy of the current SF1199A form or similar information,  
Contract number,  
Fund code (for example, 2003 76F) of the original contract as shown in  
PROTRACTS,  
Reason for the check (i.e. “Contract termination and repayment of funds due with liquidated damages, and interest”).

The amount of funds being remitted should be clearly identified by each of the three categories on the correspondence:

Refund of payment  
Interest Charge  
Cost Recovery (for contracts with a July 2003 Appendix) or Liquidated  
Damages (for those contracts with a Dec. 1998 or earlier Appendix)